



## Efficiency, Adequacy, and Equity in Educational Funding: A Review of the Literature

Grace M. Callahan

Dr. Thomas Lasley & Dr. Patricia Hart

### Resources and Achievement:

- Many studies have examined the relationship between resources, especially focusing on the amount of resources and the effect this has on student academic achievement.
- No definitive conclusions have been made as to the precise relationship between resources and student achievement; studies have found statistical evidence both supporting and denying the correlation (Hanushek).
- Many studies have concluded that schools do matter in some way, but many also believe that the key is in social factors that schools cannot control such as homelessness, single parenting, poverty, and divorce among others.

### Equity and Adequacy Across Schools:

- Court mandates and federal policies have led to a leveling up in many schools. This is where the underperforming or underfunded schools increase their funding to match the levels of the other schools in the district or state.
- There has been a shift from an emphasis on equal inputs to equal outcomes. Students are now expected to meet a minimum achievement level and many believe that differential treatment is necessary for some students to meet the requirements.

### Efficiency in Allocation:

- Waste and inefficiencies are major problems in many educational funding formulas. Some suggest that schools use management practices and abandon programs that are ineffective before implementing new programs. Schools also need to re-examine their allocation formulas and possibly consider changes.
- Differential treatment for different student populations is one way in which schools are addressing allocation. Weighted student funding is a popular method.

### Policies:

- Education is not a federally recognized fundamental right; however, federal legislation is increasingly being implemented as a response to inadequacies in the public education system.
- Ohio is participating in Race to the Top, where federal funding is granted to aid states in realizing certain equity and achievement goals in their public schools.
- Title I is a part of ESEA and requires basic equity in schools and that services provided in high-needs schools are comparable to services provided in other schools (Heuer & Stullich).

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